

March 7, 2005

The Premcor Refining Group, Inc.
P.O. Box 7000
Delaware City, DE 19706

Certified Mail # 7004 1160 0002 2439 2021
Return Receipt Requested

ATTENTION: Michael Pollauf
Refinery Manager

SUBJECT: Permit: AQM-003/00016 – Part 3 - Proposed

Dear Mr. Pollauf:

The Department has completed processing the Repowering Project and Delaware City Power Plant portion of the Delaware City Refinery's January 2, 1997, AQM-1001 series application and supplemental information submitted to the Department pursuant to Regulation No. 30 of the State of Delaware "**Regulations Governing the Control of Air Pollution.**" A "Draft" operating permit was drafted by the Department and advertised for public notice on May 12, 2004. A public hearing was held on August 18, 2004. The Department responded to comments received prior to and during the hearing in two response documents dated September 24, 2004 and December 17, 2004. These comments are addressed in the attached Response Documents.

The attached "Proposed" permit specifies the terms and conditions, Conditions 2 through 6, under which The Premcor Refining Group, Inc. (Premcor) will be permitted to operate the emission units listed in Condition 1. In addition to the emission units listed in Condition 1, Premcor will be permitted to operate all activities with air emissions that are not listed in Condition 1 and that are designated as insignificant activities under Regulation No. 30 or designated as trivial activities under Appendix "A" of the Department's summary of the July 10, 1995, EPA "White Paper for Streamlined Development of Part 70 Permit Applications," notwithstanding Regulation No. 2 of the State of Delaware "**Regulations Governing the Control of Air Pollution.**"

The attached "Proposed" permit covers only the operating permit requirements of Regulation No. 2 and Regulation No. 30. The attached "Proposed" permit does not satisfy future

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construction permit obligations. Prior to initiating any construction or modification activity Premcor must evaluate the applicability of, and, if required, secure necessary construction permit(s) pursuant to Regulation No. 2 or 25, and/or initiate necessary permit revision procedures pursuant to Regulation No. 2 and Regulation No. 30.

Please note that the EPA Region III Office has forty-five (45) days to either approve or deny the attached "Proposed" permit. If the Department does not receive any additional comments from the EPA Region III Office on or before April 21, 2005, a final operating permit for your facility will be issued.

Please contact Ravi Rangan, P.E. or Bruce Steltzer at (302) 323-4542 if you have any questions or comments regarding the attached "Proposed" permit.

Sincerely,

Paul Foster, P.E.
Environmental Engineer IV
Engineering & Compliance Branch

PEF:CRR:klb
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pc: Dover Title V File
 Ravi Rangan, P.E.
 Bruce Steltzer